

What are financial institutions

Do now!

- What are examples of some financial institutions that can be found in your community?

DO NOW!

- What is a CD (certificates of deposits)?
- How do they compare to a saving account?

Four common financial institutions

- Commercial Bank
- Savings and loan associations (S&Ls)
- Credit Unions
- Brokerage Firms



Financial Services

- Check Account:
 - Convenience and safety for account holder.
 - Pay by check or debit
- Savings account and CD's (certificates of deposits):
 - Safe place to let money grow; interest is earned on deposits
- ATMs (automated teller machines):
 - Easy access to money 24 hours a day.

Financial Services

- Direct Deposits and automatic withdrawal:
 - Enable account holders to deposit money or pay bills automatically
- Online banking:
 - Track all deposits, payments, statements, and all transactions online.
 - Make payments without writing checks.
- Deposit Insurance:
 - Guarantees that deposits are insured by the federal government for up to \$250,000 per depositor. FDIC and NCUA

Credit services

- Credit Cards
 - Enable holders to access credit up to an approved amount
- Installment loans/credit lines
 - borrow money for major items ie: automobile, education, home improvement.
- Mortgages
 - borrow for the purchase of a home
- Home Equity loans
 - Home owners to borrow money against the equity in their homes.

Credit services

- Student Loans:
 - pay for a college education
- Small business loan:
 - Finance a small business

Investment services

- Retirement Accounts
 - IRA, SEP, KEOGH
 - Save money towards retirement on a tax deferred basis
- Bonds
 - Lending money to the government for a period of time
 - Gain interest in return
 - Very safe
- Stocks
 - Lend money to a cooperation
 - Gain interest in return
 - risky
- Mutual Funds
 - Buy multiple stocks together
 - Gain interest in return
 - Not as risky as stocks